Final Statement of Reasons for Proposed Repeal of California Code of Regulations, Title 18, Section 471, *Timberland*, and Proposed Amendments to California Code of Regulations, Title 18, Section 1020, *Timber Value Areas*

Update of Information in the Initial Statement of Reasons

The factual basis, specific purpose, and necessity for the State Board of Equalization's (Board's) proposed repeal of California Code of Regulations, title 18, section (Rule) 471, *Timberland*, and adoption of amendments to Rule 1020, *Timber Value Areas*, are the same as provided in the Initial Statement of Reasons.

Current Law

Proposition 13 was adopted by the voters at the June 1978 primary election and added article XIII A to the California Constitution to limit taxation, including the taxation of real property. The Board originally adopted Rule 471, *Timberland*, as an emergency regulation in July 1978 because the adoption of Proposition 13 raised concerns about how timberland zoned under the provisions of Government Code section 51110 or 51113 should be assessed for property tax purposes. Rule 471 was subsequently amended in October 1978 and became a permanent regulation in 1979, and Rule 471 has not been amended since.

The Board originally adopted Rule 1020, *Timber Value Areas*, in 1976 in compliance with Revenue and Taxation Code section 38204, which requires the Board to "designate areas containing timber having similar growing, harvesting, and marketing conditions to be used as timber value areas for the preparation and application of immediate harvest values" after consultation with the Timber Advisory Committee (TAC). Rule 1020 designates 9 Timber Value Areas (TVAs) comprised of counties with similar growing, harvesting, and marketing conditions, and Rule 1020 has not been amended since 1977.

Proposed Repeal of Rule 471

During the May 26, 2010, Board meeting, the Board determined that Rule 471 is duplicative of statutory provisions, including Revenue and Taxation Code section 52, subdivision (b), and article 1.7 of chapter 3 of part 2 of division 1 (commencing with section 431) of the Revenue and Taxation Code, *Valuation of Timberland and Timber*; and that there is no longer any controversy or confusion regarding the assessment of timberland zoned under the provisions of Government Code section 51110 or 51113 due to the statutory provisions and the passage of time. As a result, the Board determined that it was reasonably necessary to repeal Rule 471 for the specific purpose of deleting the duplicative and unnecessary regulatory language from the California Code of Regulations.

Proposed Amendments to Rule 1020

In the fall of 2008, the TAC requested that Board staff reevaluate the existing TVAs because the TAC was concerned that California's timber marketing conditions had changed since 1977 and that these changes may warrant amendments to the TVAs. The TAC's concerns were due to the fact that the number of California sawmills decreased from approximately 200 sawmills in 1977 (when the TVAs were originally established) to approximately 30 sawmills in 2008.

As a result, Board staff reviewed the state's timber growing, harvesting, and marketing conditions and determined that the first two conditions were stable. However, staff found that a number of counties' marketing conditions had changed dramatically in the past 33 years because:

- The reduction in the number of sawmills requires logs to be hauled further for processing than they were in 1977, which increases the cost of producing timber; and
- The sources of the state's timber shifted from predominantly United States Forest Service land to privately owned timberland between 1977 and the present.

Therefore, Board staff recommended that Rule 1020 be amended so that:

1. TVA 1 includes counties with similar growing and harvesting conditions whose timber markets are centered around sawmills in Eureka, California, and Oregon.
2. TVA 2 includes counties with similar growing and harvesting conditions whose timber markets are centered around sawmills in Ukiah and Cloverdale, California.
3. TVA 3 includes counties with similar growing and harvesting conditions whose timber markets are centered around sawmills in the Davenport area of Santa Cruz County, California.
4. TVA 4 includes counties with similar growing and harvesting conditions whose timber markets are centered around sawmills in Redding and Anderson, California.
5. TVA 5 includes counties with similar growing and harvesting conditions whose timber markets are centered around sawmills in Redding, California, and Oregon.
6. TVA 6 includes counties with similar growing and harvesting conditions whose timber markets are centered around sawmills in Redding, California, and Oregon.[1]
7. TVA 7 includes counties with similar growing and harvesting conditions whose timber markets are centered around sawmills in Lincoln and Quincy, California.
8. TVA 8 includes counties with similar growing and harvesting conditions whose timber markets are centered around sawmills in Camino and Sonora, California.

[1] One of the characteristics requiring two categories for counties whose timber markets are centered around sawmills in Redding, California, and Oregon is that TVA 5 is a Fir area and TVA 6 is a Pine area.

9. TVA 9 includes counties with similar growing and harvesting conditions whose timber markets are centered around sawmills in Sonora, California, and Kern County.

And, Board staff recommended that the following counties (or portions thereof) be deleted from one TVA and moved to another TVA that best fits its current timber marketing conditions.

Trinity County

Board staff recommended deleting "Trinity County south and west of that part of the exterior boundary of the Shasta-Trinity National Forest between Humboldt and Tehama Counties" from TVA 1 and amending TVA 4 so that it includes all of Trinity County because all of Trinity County's timber markets are now similarly centered around sawmills in Redding and Anderson, California.

Alameda County, Contra Costa County, Monterey County, San Francisco City and County, San Mateo County, Santa Clara County, and Santa Cruz County

Board staff recommended deleting Alameda County, Contra Costa County, Monterey County, San Francisco County, San Mateo County, Santa Clara County, and Santa Cruz County from TVA 2 and amending TVA 3 to include all seven counties, including the City and County of San Francisco, because these seven counties' timber markets are now centered around sawmills in the Davenport area of Santa Cruz County, California.

Napa County

Board staff recommended deleting Napa County from TVA 5 and amending TVA 2 to include Napa County because Napa County's timber markets are now centered around sawmills in Ukiah and Cloverdale, California.

Siskiyou County West of Interstate Highway No. 5

Board staff recommended deleting "Siskiyou County west of Interstate Highway No. 5" from TVA 3 and amending TVA 4 to include Siskiyou County west of Interstate Highway No. 5 because this section of Siskiyou County's timber markets are now centered around sawmills in Redding and Anderson, California.

Colusa County, Glenn County, Lake County, Solano County, Tehama County West of Interstate Highway No. 5, and Yolo County

Board staff recommended deleting Colusa County, Glenn County, Lake County, Solano County, "Tehama County west of Interstate Highway No. 5," and Yolo County from TVA 5 and amending TVA 4 to include all five counties and the portion of Tehama County west of Interstate Highway No. 5 because their timber markets are centered around sawmills in Redding and Anderson, California.

Shasta County between Interstate Highway No. 5 and State Highway No. 89 and Shasta County East of State Highway No. 89

Board staff recommended deleting "Shasta County between Interstate Highway No. 5 and State Highway No. 89" from TVA 7 and deleting "Shasta County east of State Highway No. 89" from TVA 6 and amending TVA 5 to include all of "Shasta County east of Interstate Highway No. 5" because that portion of Shasta county is a Fir area and its timber markets are centered around sawmills in Redding, California, and Oregon.

Siskiyou County East of Interstate Highway No. 5

Board staff recommended deleting "Siskiyou County east of Interstate Highway No. 5" from TVA 6 and amending TVA 5 to include that portion of Siskiyou County because it is a Fir area and its timber market is centered around sawmills in Redding, California, and Oregon.

Sacramento County

Board staff recommended deleting Sacramento County from TVA 5 and amending TVA 8 to include Sacramento County because its timber markets are centered around sawmills in Camino and Sonora, California.

Alpine County, San Joaquin County, and Stanislaus County

Board staff recommended deleting Alpine County, San Joaquin County, and Stanislaus County from TVA 9 and amending TVA 8 to include all three counties because their timber markets are centered around sawmills in Camino and Sonora, California.

Authority and Reference Notes

Furthermore, Board staff realized that the authority note for Rule 1020 cites Government Code section 15606, which generally authorizes the Board to adopt regulations concerning property taxes and the Board's own business, rather than Revenue and Taxation Code section 38701, which specifically authorizes the Board to adopt Timber Yield Tax regulations, such as Rule 1020. Therefore, Board staff recommended that the Board amend Rule 1020 so that the authority note correctly cites Revenue and Taxation Code section 38701.

In addition, Board staff realized that the reference note for Rule 1020 generally cites all of chapter 1 (commencing with section 38101), *General Provisions and Definitions*, and chapter 3 (commencing with section 38202), *Determination of Rates*, of part 18.5, *Timber Yield Tax Law*, of division 2 of the Revenue and Taxation Code, as the statutes being implemented, interpreted, and made specific by Rule 1020. However, Board staff determined that Rule 1020 specifically implements, interprets, and make specific the provisions of Revenue and Taxation Code section 38109, which defines the term "immediate harvest value," and section 38204, which requires the Board to designate TVAs for use in the preparation and application of immediate harvest values. Therefore, Board staff also recommended that the Board amend Rule 1020 so that the reference note more specifically cites Revenue and Taxation Code sections 38109 and 38204.

During the May 26, 2010, Board meeting, the Board agreed that staff's proposed amendments would ensure that each TVA listed in Rule 1020 includes the appropriate counties with similar growing, harvesting and marketing conditions, and that Rule 1020's authority and reference notes cite the correct provisions of the Revenue and Taxation Code. As a result, the Board determined that it was reasonably necessary to amend Rule 1020 for the specific purposes of re-designating the counties assigned to each of the nine TVAs to reflect the changes in the counties' marketing conditions since 1977 and ensure that the regulation's authority and reference notes cite the correct provisions of the Revenue and Taxation Code.

August 24, 2010, Public Hearing

The Board held a public hearing on August 24, 2010, and adopted the repeal of Rule 471 and amendments to Rule 1020 as originally proposed. No interested parties appeared at the public hearing. However, two interested parties did submit written public comments prior to the end of the written comment period, which the Board considered before it adopted the proposed regulatory action.

The first written comment was received on July 30, 2010, from Lennart Lindstrand, Jr., Manager, Land Department, W.M. Beaty & Associates, Inc., "a contract manager for the owners of approximately 280,000 acres of timberland in northeastern California" and supported the proposed amendments to Rule 1020. The second written comment was received on August 24, 2010, from N. D. Fenton. The comment opposed the proposed regulatory action and raised a number of objections regarding the proposed repeal of Rule 471 and amendments to Rule 1020, which are summarized and responded to below. However, N. D. Fenton's opposition appeared to be the result of some confusion regarding the affect of the Board's proposed regulatory action. Therefore, the Board did not make any changes to the proposed regulatory action in response to N. D. Fenton's comment.

The Board did not rely on any data or any technical, theoretical, or empirical study, report, or similar document in proposing or adopting the repeal of Rule 471 and the amendments to Rule 1020 that was not identified in the Initial Statement of Reasons, or

which was otherwise not identified or made available for public review prior to the close of the original public comment period.

No Mandate on Local Agencies or School Districts

The Board has determined that the adoption of the proposed repeal of Rule 471 and amendments to Rule 1020 does not impose a mandate on local agencies or school districts.

Response to Public Comment

N. D. Fenton's August 24, 2010, written comment contained 12 potential objections to the proposed rulemaking action, which are each summarized and responded to separately below. As noted above, N. D. Fenton's opposition appeared to be the result of some confusion regarding the affect of the Board's proposed regulatory action.

Comment 1: The repeal of Rule 471 will delete the definition of "timberland."

Response 1: Rule 471 does not define the term "timberland" for purposes of California property tax law or any other purposes. The definition of timberland for purposes of California property tax law is contained in article 1.7 of chapter 3 of part 2 of division 1 (commencing with section 431) of the Revenue and Taxation Code, *Valuation of Timberland and Timber*, specifically section 431, which provides that: "'Timberland' means land zoned pursuant to Chapter 6.7 (commencing with Section 51100) of Part 1 of Division 1 of Title 5 of the Government Code." And, the Board's repeal of Rule 471 cannot and will not change the statutory definition of timberland.

Comment 2: The Board's statement of the necessity and purpose for the repeal of Rule 471 is incorrect because repealing Rule 471 will delete the definition of timberland and thereby create some "controversy" as to whether land is zoned as timberland.

Response 2: Rule 471 does not define "timberland" and its repeal will not have any affect on or create any controversy as to whether land is zoned as timberland. Further, Rule 471 is duplicative of statutory provisions, including Revenue and Taxation Code section 52, subdivision (b), and article 1.7 of chapter 3 of part 2 of division 1 (commencing with section 431) of the Revenue and Taxation Code, *Valuation of Timberland and Timber*. Therefore, its repeal will not affect the assessment of timberland zoned under the provisions of Government Code section 51110 or 51113 for property tax purposes, as stated in the Initial Statement of Reasons. Furthermore, the Board has determined that it is necessary to repeal Rule 471 for the specific purpose of deleting the duplicative and unnecessary regulatory language from the California Code of Regulations, as stated in the Initial Statement of Reasons. Therefore, the Board believes that its statement of the necessity and purpose for the repeal of Rule 471 is sufficient and correct.

Comment 3: The Board has created confusion by failing to mention that Rule 471 "guides

the valuation of timberlands."

Response 3: The Board believes that the Notice of Proposed Regulatory Action and Initial Statement of Reasons are sufficiently clear to inform the public regarding the proposed repeal of Rule 471 because they explain that "The Board originally adopted Rule 471 as an emergency regulation in July 1978 because the adoption of Proposition 13 raised concerns about how timberland zoned under the provisions of Government Code section 51110 or 51113 should be assessed for property tax purposes" and that Rule 471 is duplicative of statutory provisions, including "Revenue and Taxation Code section 52, subdivision (b), and article 1.7 of chapter 3 of part 2 of division 1 (commencing with section 431) of the Revenue and Taxation Code, *Valuation of Timberland and Timber*." In addition, the Notice of Proposed Regulatory Action informed the public that they could obtain a copy of the text of Rule 471 from the Board's regulation coordinator and on the Board's Web site.

Comment 4: The Board should have discussed the affect the repeal of Rule 471 would have on "California Code" sections that use the word "timberland."

Response 4: Again, Rule 471 does not define the term "timberland" for purposes of California property tax law or any other purposes. The definition of "timberland" for purposes of California property tax law is contained in article 1.7 of chapter 3 of part 2 of division 1 (commencing with section 431) of the Revenue and Taxation Code, *Valuation of Timberland and Timber*, specifically section 431, which provides that: "'Timberland' means land zoned pursuant to Chapter 6.7 (commencing with Section 51100) of Part 1 of Division 1 of Title 5 of the Government Code." Therefore, the repeal of Rule 471 will not affect the definition of "timberland" and cannot affect the definition of "timberland" for purposes of the Revenue and Taxation Code or any other California code.

Comment 5: The repeal of Rule 471 conflicts with article XIII section 3, subdivision (j) of the California Constitution and "the Board lacks authority to repeal legislation."

Response 5: First, the repeal of Rule 471 does not affect any other constitutional, statutory, or regulatory provisions. Second, the repeal of Rule 471 does not affect article XIII, section 3, subdivision (j), of the California Constitution, which authorizes the Legislature to enact systems for exempting un-harvested timber from property tax and to provide for some other method of taxing harvested timber that promotes the continued use of timberland for the production of trees. The repeal of Rule 471 does not affect the provisions of article 1.7 of chapter 3 of part 2 of division 1 (commencing with section 431) of the Revenue and Taxation Code regarding the assessment of timberland, which the Legislature enacted pursuant to article XIII, section 3, subdivision (j) of the California Constitution. And, the repeal of Rule 471 does not affect the provisions of the Timber Yield Tax Law (Rev. & Tax. Code, § 38101 et seq.), which was also enacted by the Legislature pursuant to article XIII, section 3, subdivision (j) of the California Constitution, and provides for the taxation of harvested timber. Therefore, the statutory provisions for the assessment of timberland and the taxation of harvested timber will continue to have the same force and effect after the repeal of Rule 471, the Board will

have the same authority to enforce these statutory provisions after the repeal of Rule 471, and there is nothing about the repeal of Rule 471 that conflicts with article XIII, section 3, subdivision (j) of the California Constitution. Third, Rule 471 is a duly adopted Board regulation codified as California Code of Regulations, title 18, section 471, not a statute or constitutional provision, and the Board has authority to repeal Rule 471 pursuant to Government Code section 15606, as stated in the Notice of Proposed Regulatory Action.

Comment 6: The Board initiated a project to revise Property Tax Rules and therefore cannot revise timber tax values as part of that project.

Response 6: The property tax regulations codified in title 18 of the California Code of Regulations are commonly referred to as 'property tax rules." Rule 471 and Rule 1020 are both property tax regulations codified in title 18 and, as a result, are commonly known as and referred to as property tax rules. Therefore, the Board's proposed repeal of Rule 471 and amendments to Rule 1020 are both revisions to property tax rules. In addition, neither the proposed repeal of Rule 471 nor amendments to Rule 1020 revise timber tax values. The Board is required to separately adopt schedules setting the taxable "immediate harvest values" of timber by June 30 and December 31 of each year pursuant to Revenue and Taxation Code section 38204 and Property Tax Rule 1023, *Immediate Harvest Value*.

Comment 7: "Significant assessment problems," as defined in Property Tax Rule 371 of the same name are "occurring, because no restrictions (much less enforceable restrictions) have been placed on newly and illegally zoned 'timberlands.'"

Response 7: The proposed regulatory action has no relation to the Board's duty to survey the assessment practices of county assessors under Government Code section 15640 and the term "significant assessment problems" refers to a type of finding in such surveys. If you have concerns about what may potentially be significant assessment problems regarding county assessors' assessments of land, please contact Principal Property Appraiser Benjamin Tang in the Board's Assessment Practices Survey Section by telephone at 916-324-2682 or by email at Benjamin.Tang@boe.ca.gov.

Comment 8: "The proposal lacks assessment and reports as to whether and to what extent it will affect the creation of new businesses and the elimination of other businesses (namely timber mills: the mills who buy [timber] from property tax assessed timberlands will compete unfairly with timber mills who obtained timber from illegally assessed and zoned new timberlands that will not be properly taxed)."

Response 8: As stated in the Notice of Proposed Regulatory Action:

> Rule 471 is duplicative of statutes in the Revenue and Taxation Code and its proposed repeal will not have any effect on the assessment of timberland for property tax purposes. The proposed amendments to Rule 1020 merely re-designate the counties assigned to the TVAs to reflect changes to California's timber markets that occurred since the regulation

> was last amended in 1977, as required by Revenue and Taxation Code section 38204. Furthermore, the proposed amendments to Rule 1020 will not directly effect the Timber Yield Taxes imposed upon any specific timber owners because their taxes are dependent upon the "yield tax rate" the Board is required to adopt during December of each year pursuant to Revenue and Taxation Code sections 38202 and 38203 and the "immediate harvest values" the Board is required to adopt by June 30 and December 31 of each calendar year pursuant to Revenue and Taxation Code section 38204. Therefore, pursuant to Government Code section 11346.5, subdivision (a)(8), the Board has made an initial determination that the adoption of the proposed repeal of Rule 471 and the adoption of the proposed amendments to Rule 1020 will have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.
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> [¶] . . . [¶]
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> The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed actions. The proposed repeal of Rule 471 and proposed amendments to Rule 1020 will not create any new compliance burdens for private persons or businesses.
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> [¶] . . . [¶]
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> The adoption of the proposed repeal of Rule 471 and proposed amendments to Rule 1020 will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California.

Further, county assessors determine whether land is zoned as timberland for purposes of determining whether the land must be assessed in accordance with Revenue and Taxation Code section 434.5, not the Board. Furthermore, the Board does not regulate the sources from which timber mills may legally purchase timber.

Comment 9: The Board has reached an incorrect conclusion regarding the affect of the closing of timber mills on the designation of timber value areas. "How is ANYTHING centered around Davenport! . . . Its population is 100 and they have . . . one large sawmill, nothing centers around them except themselves and greed. . . . An EIR [Environmental Impact Review] must be prepared, if expecting all logging . . . from 6 other counties or so to be driving our little two lane roads to Davenport." In addition, the discussion of Rule 1020 is inaccurate because it does not refer to the illustrative maps included in the Board adopted immediate harvest values schedules, which differentiate between the north and south parts of current TVAs 2 and 9 by using the designations 2N, 2S, 9N, and 9S.

Response 9: First, as explained in the Notice of Proposed Regulatory Action and Initial Statement of Reasons, TVA 3 is intended to include areas having similar growing and harvesting conditions whose timber markets are centered around sawmills in the Davenport area because the majority of the timber from these areas is hauled to sawmills in the Davenport area for processing. The Board has determined that it is necessary to amend Rule 1020 so that TVA 3 includes Alameda County, Contra Costa County, Monterey County, San Francisco City and County, San Mateo County, Santa Clara County, and Santa Cruz County because the majority of the remaining timber harvested from these counties will likely be hauled to Davenport area sawmills for processing and, as a result, whatever marketing there is of any timber remaining in these seven counties will be centered around sawmills in the Davenport area. The Board has also determined that it is necessary to amend Rule 1020 to delete "Siskiyou County west of Interstate Highway No. 5" from TVA 3 because this section of Siskiyou County's timber markets are now centered around sawmills in Redding and Anderson, California. The comment does not provide any factual basis for the Board to reach a different conclusion regarding the composition of TVA 3 and does not recommend any alternative composition of TVA 3.

Second, the amendments to Rule 1020 reflect actual statewide changes to the marketing of California timber. The amendments are not intended to and do not change the current use of land or the harvesting and marketing of timber, and they do not require any person to haul timber to a specific sawmill for processing. Therefore, the Board has determined that the proposed rulemaking action is not subject to the California Environmental Quality Act's Environmental Impact Report requirements.

Third, the maps attached to the Board-adopted immediate harvest values schedules do illustrate that the north and south parts of TVAs 2 and 9 (2N, 2S, 9N, and 9S) have traditionally had different immediate harvest values. However, the maps are not part of Rule 1020 or any other duly adopted Board regulation, and are merely illustrative. In addition, all of the counties listed in Rule 1020 are still in the TVAs currently designated by Rule 1020, including the counties currently listed in TVAs 2 and 9. Therefore, the Board is able to make the proposed amendments to Rule 1020 to revise the counties (or portions thereof) included in the TVAs without referring to the maps. However, it should be noted that it will no longer be necessary for the Board to adopt different immediate harvest values for the north and south parts of TVAs 2 and 9 after the proposed amendments to Rule 1020 are effective and the illustrative maps attached to future immediate harvest values schedules should no longer differentiate between parts of TVAs.

Comment 10: "Proposals and notice lacks required information in such general categories like" "Statement of Reasons," "Background, Authorization and summary of law relating to the regulations," "general findings on proposed regs," etc.

Response 10: The Board believes this comment is based upon a misunderstanding of the proposed regulatory action and/or the Government Code's rulemaking requirements. Furthermore, the Board believes that the comment is inaccurate and has determined that:

- The text of the proposed regulatory action complies with the requirements of Government Code section 11346.2, subdivision (a);
- The Initial Statement of Reasons complies with the requirements of Government Code section 11346.2, subdivision (b);
- The Notice of Proposed Regulatory Action complies with the requirements of Government Code section 11346.5;
- The fact that the documents satisfy the applicable Government Code requirements is clear on the face of the documents themselves; and
- There would be no reasonable purpose for the Board to reiterate how and why the documents satisfy each and every one of the applicable requirements because the Office of Administrative Law will review the documents pursuant to Government Code section 11349.1 and can fairly determine whether they contain all of the required information.

Comment 11: "Repeal and de-valuing require an EIR."

Response 11: Again, the Board believes that this comment is based upon a misunderstanding of the proposed regulatory action because the proposed regulatory action does not de-value any land or timber. County assessors separately determine the assessed value of timberland using the schedules the Board prepares pursuant to Revenue and Taxation Code section 434.5 and the Board separately sets the immediate harvest values of timber for Timber Yield Tax purposes. Furthermore, the Board has determined that the proposed rulemaking action is not subject to the California Environmental Quality Act's Environmental Impact Report requirements.

Comment 12: The rezoning of land as timberland will result in a decrease in local property tax revenue that the state would be required to reimburse, but this information is not discussed in the rulemaking documents.

Response 12: The proposed regulatory action will not rezone any land, will not decrease local property taxes, and does not create any obligation to reimburse local governments or school districts for lost property tax revenue. The proposed regulatory action will repeal an unnecessary, duplicative regulation, and revise the TVAs to reflect the current marketing conditions for California timber.

Alternatives Considered

By its motion, the Board determined that no alternative to the proposed repeal of Rule 471 and amendments to Rule 1020 would be more effective in carrying out the purposes for which the regulatory action is proposed or would be as effective and less burdensome to affected private persons than the proposed regulatory action. No alternatives to the proposed regulatory action were presented to the Board for consideration.

No Significant Adverse Economic Impact on Business

The Board has determined that the adoption of the proposed repeal of Rule 471 and amendments to Rule 1020 will not have a significant adverse economic impact on business.

The Board did not reject any reasonable alternatives to the original proposed text indicating the repeal of Rule 471 and the amendments to Rule 1020 or any alternatives that would lessen the adverse economic impact on small businesses. No alternative language was presented to the Board for consideration.

No Federal Mandate

The adoption of the proposed repeal of Rule 471 and amendments to Rule 1020 is not mandated by federal statutes or regulations.